

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Children, Families, and Elder Affairs Committee

BILL: SB 1658

INTRODUCER: Senator Storms

SUBJECT: Public Assistance

DATE: January 24, 2012      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Daniell	Farmer	CF	<b>Pre-meeting</b>
2.	_____	_____	BC	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

This bill prohibits a recipient from using his or her electronic benefit transfer (EBT) card to access cash benefits outside this state, to purchase alcohol or tobacco products, or to access automated teller machines located in gambling and adult entertainment establishments. The bill also provides a list of establishments inside the state that a cash assistance recipient may not access cash benefits through an EBT card from an automated teller machine (ATM).

Additionally, the bill requires the Department of Children and Family Services (DCF or department) to add nonstaple, unhealthy foods to the list of items that may not be purchased with federal Supplemental Nutrition Assistance Program funds. The bill also prohibits the use of benefits at restaurants.

This bill amends sections 402.82 and 414.095, Florida Statutes.

**II. Present Situation:**

**History of the Supplemental Nutrition Assistance Program**

The idea of the federal government providing food subsidies to low-income families began as early as 1933 when the Roosevelt administration established the Federal Surplus Relief Corporation (FSRC) to “expand markets for agricultural products, and to purchase, store, and process surplus agricultural products so as to relieve the hardship and suffering caused by

unemployment.”<sup>1</sup> In 1939, the United States Department of Agriculture (USDA) initiated an experimental food stamp program as a way to help low-income families buy healthy food.<sup>2</sup>

The Food Stamp Act of 1964 authorized a food stamp program to provide eligible households an opportunity to obtain a nutritionally adequate diet through the issuance of coupons.<sup>3</sup> The goal of the program is to “alleviate hunger and malnutrition . . . by increasing food purchasing power for all eligible households who apply for participation.”<sup>4</sup> The Hunger Prevention Law of 1988 authorized pilot programs to test whether the use of benefit cards or other electronic benefit delivery systems could enhance the effectiveness of the food stamp program.<sup>5</sup> In 1996, federal law mandated that states implement electronic benefit transfer (EBT) systems by 2002.<sup>6</sup> The EBT system “allows a recipient to authorize transfer of their government benefits from a Federal account to a retailer account to pay for products received.”<sup>7</sup> Food assistance benefits are deposited into a food assistance account each month and an EBT card, much like a bank card, is used to buy food.<sup>8</sup>

In 2008, the Food, Conservation, and Energy Act replaced the Food Stamp Act of 1977 and increased the commitment to Federal food assistance programs.<sup>9</sup> As of November 2011, the program serves over 40 million low-income individuals each month.<sup>10</sup> The bill also changed the name of the Federal food stamp program to the Supplemental Nutrition Assistance Program (SNAP), and changed the name of the Food Stamp Act to the Food and Nutrition Act of 2008.<sup>11</sup> According to the USDA, the new name reflects the department’s focus on nutrition, putting health food within reach for low income households, and improvement in accessibility.<sup>12</sup> While states are permitted to name the program on their own, the federal government has encouraged states to change the name to SNAP, or another alternative name, as an opportunity to fight stigma and promote messages about healthy eating to consumers.<sup>13</sup> As of March 2011, 29 states had changed the name of their program to SNAP and eight states had changed the name of the program to an alternate name.<sup>14</sup> Seven states were still using the name Food Stamp Program.<sup>15</sup>

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<sup>1</sup> Dennis Roth, Social Science Analyst, *Food Stamps: 1932-1937: From Provisional to Pilot Programs to Permanent Policy*, <http://www.nal.usda.gov/ric/ricpubs/foodstamps.htm> (last visited Jan. 23, 2012).

<sup>2</sup> *Id.*; see also Food and Nutrition Serv., United States Dep’t of Agriculture, *Supplemental Nutrition Assistance Program, A Short History of SNAP*, <http://www.fns.usda.gov/snap/rules/Legislation/about.htm> (last visited Jan. 23, 2012).

<sup>3</sup> Food and Nutrition Serv., United States Dep’t of Agriculture, *Supplemental Nutrition Assistance Program, Legislative History*, [http://www.fns.usda.gov/snap/rules/Legislation/history/PL\\_88-525.htm](http://www.fns.usda.gov/snap/rules/Legislation/history/PL_88-525.htm) (last visited Jan. 23, 2012).

<sup>4</sup> Food Research and Action Ctr., *SNAP/Food Stamps*, <http://frac.org/federal-foodnutrition-programs/snapfood-stamps/> (last visited Jan. 23, 2012) (as stated in the Food Stamp Act of 1977).

<sup>5</sup> Food and Nutrition Serv., *supra* note 2.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> Food and Nutrition Serv., United States Dep’t of Agriculture, *Supplemental Nutrition Assistance Program*, <http://www.fns.usda.gov/snap/snap.htm> (last visited Jan. 23, 2012).

<sup>11</sup> Food and Nutrition Serv., *supra* note 2.

<sup>12</sup> Food and Nutrition Serv., *supra* note 10.

<sup>13</sup> *Id.*

<sup>14</sup> Supplemental Nutrition Assistance Program, United States Dep’t of Agriculture, *From Food Stamps to SNAP: State Name Change Tracking Chart*, <http://www.fns.usda.gov/snap/roll-out/state-chart.pdf> (last visited Jan. 23, 2012).

<sup>15</sup> *Id.*

In Florida, an individual must be a resident of the state and either be a U.S. citizen or meet specified qualified noncitizen criteria in order to receive food assistance.<sup>16</sup> Additionally, most households must pass a gross income limit at 200 percent of the Federal Poverty Level and a physically and mentally fit adult between 16 and 60 years old must be working or be registered to work (with certain exceptions).<sup>17</sup> There are certain products households may purchase with food assistance benefits and certain products that are not eligible. Eligible foods include:

- Breads and cereals;
- Fruits and vegetables;
- Meats, fish, and poultry;
- Dairy products; and
- Seeds and plants to grow and product food for the household to eat.<sup>18</sup>

Households may not use food assistance benefits to buy:

- Beer, wine, liquor, cigarettes, or tobacco;
- Pet food, soaps, paper products; or household supplies;
- Vitamins and other medicines;
- Food that will be eaten in the store; and
- Hot foods.<sup>19</sup>

While there is evidence that SNAP participants may increase the availability of some nutrients in the home food supply, there is little research that addresses the effect of SNAP participation on nutrition-related health outcomes such as height and weight.<sup>20</sup>

### III. Effect of Proposed Changes:

This bill provides that the electronic benefit transfer system shall prevent a recipient from using the electronic benefit transfer (EBT) card to access cash benefits outside this state, to purchase alcohol or tobacco products, or to access automatic teller machines (ATMs) located in gambling and adult entertainment establishments. The bill does provide that it does not prohibit the use of an EBT card to access federal Supplemental Nutrition Assistance Program (SNAP) benefits in any manner authorized by federal law. Essentially, the intent of the bill is to prohibit the use of state dollars through the electronic benefit transfer system in certain circumstances, but that an individual may still be able to use federal SNAP funds under the same circumstances if allowed by federal law.

The bill requires the Department of Children and Family Services (DCF or department) to:

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<sup>16</sup> Dep't of Children and Family Servs., *Food Assistance Program Fact Sheet* (Oct. 2011), available at <http://www.dcf.state.fl.us/programs/access/docs/fafactsheet.pdf> (last visited Jan. 23, 2012).

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> Office of Analysis, Nutrition, and Evaluation, Food and Nutrition Serv., U.S. Dep't of Agriculture, *Making America Stronger: A Profile of the Food Stamp Program*, 21 (Sept. 2005), available at <http://www.fns.usda.gov/ora/menu/Published/snap/FILES/Other/FSPPProfile.pdf> (last visited Jan. 23, 2012).

- Add nonstaple, unhealthy foods to the list of items that may not be purchased with federal SNAP funds.
- Prohibit the use of benefits at restaurants, including fast-food restaurants; and
- Use culturally sensitive campaigns to promote the modifications made pursuant to the bill, as well as the benefits of healthy and nutritious eating habits.

The bill specifies certain foods that are to be added to the list of items that may not be purchased with federal SNAP funds. These foods include:

- Foods containing trans fats;
- Sweetened beverages, including sodas;
- Jello;
- Candy;
- Ice cream;
- Pudding;
- Popsicles;
- Muffins;
- Sweet rolls;
- Cakes;
- Cupcakes;
- Pies;
- Cobblers;
- Pastries;
- Doughnuts;
- Corn-based salty snacks;
- Pretzels;
- Party mix;
- Popcorn; and
- Potato chips.

The department is authorized to collaborate with any public or nongovernmental organization that promotes the health and well-being of all residents of the state. The department is required to seek all necessary federal approvals to implement this bill.

Finally, the bill provides that a cash assistance recipient may not access cash benefits through an EBT card from an ATM in this state located in:

- An adult entertainment establishment;<sup>21</sup>
- A pari-mutuel facility;<sup>22</sup>
- A gaming facility authorized under a tribal-state gaming compact;
- A commercial bingo facility that is not an authorized bingo establishment;<sup>23</sup>

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<sup>21</sup> An “adult entertainment establishment” means an adult bookstore, adult theater, special cabaret, and unlicensed massage establishment. Section 847.001, F.S.

<sup>22</sup> A “pari-mutuel facility” is defined as a racetrack, fronton, or other facility used by a permitholder for the conduct of pari-mutuel wagering. Section 550.002(23), F.S.

- A store or establishment in which the principal business is the sale of firearms; and
- A retail establishment licensed to sell malt, vinous, or spirituous liquors under the Beverage law.

The bill has an effective date of July 1, 2012.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

This bill increases the list of foods that may not be purchased using federal Supplemental Nutrition Assistance Program (SNAP) funds. Accordingly, individuals would be required to use private funds to purchase the items listed in the bill.

C. Government Sector Impact:

None.

#### **VI. Technical Deficiencies:**

The bill directs the Department of Children and Family Services (DCF or department) to add nonstaple, unhealthy foods to the list of items that may not be purchased with federal SNAP funds. Although the bill provides a list of some items that are prohibited, the bill does not define “nonstaple, unhealthy foods,” nor does it provide any guidelines for determining what is unhealthy. It is unclear how the department will determine what is or is not unhealthy for purposes of using SNAP funds.

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<sup>23</sup> Section 849.0931, F.S., provides that charitable, nonprofit, or veteran’s associations may conduct bingo games or instant bingo under certain conditions.

On line 34, the bill provides that the electronic benefit transfer system designed and implemented pursuant to this *chapter* shall prevent a recipient from using the electronic benefit transfer (EBT) card in certain locations. The electronic benefit transfer system is created in s. 402.82, F.S., so the bill may need to be amended to use the term “section” rather than “chapter.”

**VII. Related Issues:**

None.

**VIII. Additional Information:**

**A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.